Class Syllabus
for
International Trade--ECNS 431
The University of Montana
Fall 2015

Instructor: Professor Kellenberg
Class Time: MWF from 11:10 AM - 12:00 PM
Class Location: Native American Center 201
Office: LA 404
Phone: 243-5612
Email: Derek.Kellenberg@mso.umt.edu
Office Hours: M & W, 1:30 - 2:30 PM or by appointment

Note: The following syllabus defines the rules and important dates for the semester. However, I reserve the right to make changes if the need arises.

Course Prerequisite: ECNS 201

Course Description: This course is an introduction to issues in international trade. The first part of the course will be devoted to concepts in international trade theory, including topics such as comparative advantage, the classical model of trade, the Hecksher-Ohlin Model, tariffs, non-tariff barriers and commercial trade policy. Along the way we will explore the empirical validity of various trade theories. The second part of the course will be devoted to issues such as foreign direct investment, multinational corporations, outsourcing, and preferential trade agreements.

Course Text

The required text for the course is International Trade, 3ed., by Feenstra and Taylor. Over the course of the semester we will cover a great deal of information, and I strongly urge you to keep up with reading the chapters as we cover them in class. There will be times during lecture when we will move quickly through topics and it will be paramount that you use the book and accompanying notes to help you solidify the concepts that we cover in class. You can either buy an online version of the text (see below) or you may buy a hardcopy from the bookstore. With either option you will be required to register for the class LaunchPad website. On this website you will have access to class notes and will complete your homework assignments. Instructions for registration with LaunchPad can be found below.

Class Notes

Incomplete lecture notes will be posted on the LaunchPad class website before each lecture. Lecture notes will typically be available at least 24 hours in advance of lecture. I
encourage you to print them out before each class and bring them to class to fill in the missing sections. I will NOT give out the completed notes if you miss class. If you miss lecture for any reason, it is YOUR responsibility to get the completed notes from someone else in class.

Grading

Grading for the course will consist of a participation/attendance grade, 9-11 online homework assignments, and four exams. The breakdown of the grades are as follows:

**Grade Percentages for Undergraduate students:**

- Participation/Attendance 10%
- Homework Score 30%
- Alternative Class Assignments 10%
- Exam Scores 50%

**Participation and Homework**

During the term I will occasionally present in-class problems or quizzes for you to work on. These will typically be problems that you can work on in groups. Your participation grade will be based on your presence and performance on these problems and quizzes. Your participation/attendance grade will make up 10% of your overall class grade.

There will also be between 9-11 homework assignments over the course of the semester. Homework assignments will be completed on the LaunchPad class website and will be announced in class and posted on the class website at least one week prior to the due date of each assignment. Homework assignments are based on completion by correctly answering a specified number of questions on the topics of a chapter. Thus, for each homework assignment you will earn a score of 0% or 100%. Late homework assignments will NOT be accepted. If you cannot complete your homework on the respective due dates then you should plan to complete them early. Homework assignments will constitute 30% of your overall class grade. Each homework assignment will be weighted equally in your overall homework score.

**Alternative Class Assignments**

During the course of the semester we will take a break from our lecture format and have 3-4 alternative class assignment days. On these days we will not lecture but will have alternative assignments designed to get you thinking more deeply about the theory we are learning in class. These assignments will typically involve writing a 1-2 page summary or analysis piece on an in-class or online video, newspaper, magazine or journal article, or may come in the form of completing practice quizzes on the LaunchPad class page. Dates for the alternative class assignments will be announced in class and posted on the class LaunchPad website at least 1 week prior to their due dates. Each alternative class assignment will be given equal weight in your overall Alternative Class Assignments score.
Exams

There will be four midterm exams, each worth 12.5% of your overall class grade. THERE WILL BE NO MAKE-UP EXAMS. If you miss a midterm exam or are unsatisfied with a midterm performance, for whatever reason, you may take an Optional Comprehensive Final Exam to substitute for the midterm exam that you missed or would like to replace.

Exam Replacement Policy

Please be aware that I do not allow you to replace one of your midterm exams with the optional comprehensive final exam simply to be “nice”. Over the course of the semester there are always people who will unfortunately experience some sort of illness or personal or family hardship. As such, I allow each of you to replace one midterm exam as a form of insurance policy against unforeseen events so that you can tend to any personal or family matters without it affecting your overall grade. DO NOT make the mistake of slacking off early in the semester thinking you can simply take the optional comprehensive final exam to make up for a poor early performance. If something comes up later in the semester that causes you to miss one of the other midterm exams or the Optional Comprehensive Final Exam, then you will have to accept the poor performance on the midterm you missed/failed as part of your overall class score.

<table>
<thead>
<tr>
<th>Exam</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Exam 1</td>
<td>Monday, September 28th</td>
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<tr>
<td>Exam 2</td>
<td>Friday, October 23rd</td>
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<tr>
<td>Exam 3</td>
<td>Wednesday, November 18th</td>
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<tr>
<td>Exam 4</td>
<td>Friday, December 11th</td>
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<tr>
<td>Optional Comp. Final Exam</td>
<td>Thursday, December 17th</td>
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<td>(8:30AM – 10:00AM)</td>
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How to Access the LaunchPad Class Website

Two ways to access LaunchPad:

Route 1: Purchase textbook from UM Bookstore with access code

Step 1

Purchase the textbook with access code from the UM bookstore. Go to the course-specific URL:

www.macmillanhighered.com/launchpad/feenstrataylorintttrade3
Select I have an access code.

**Step 2**

Enter your student access code exactly as it appears (including all dashes) and click Submit.

**Step 3**

Enter your email address to check to see whether you already have an account on one of our sites. Click Submit.

- If you do have an account with Macmillan Education / Bedford, Freeman and Worth, you'll be granted access and prompted to confirm the course you wish to join. For more information, proceed to step 6.
- If you don't have an account with Macmillan Education / Bedford, Freeman and Worth, you'll see our terms of use. Go to step 4 for more information.

**Step 4**

If you don’t already have a pre-existing account, first acknowledge that you have read the Legal Terms by ticking the box next to “I have read the Legal Terms.” Then click I AGREE TO THE LEGAL TERMS.

**Step 5**

Enter your first and last name and create a password. (Note: Your password should contain upper- and lowercase letters and numbers only. Do use characters, such as !, @, or #.)

To confirm your information, re-enter your email address and password. Click REGISTER.

**Step 6**

Confirm that you are joining the correct course, and click Join Course.

**Step 7**

Bookmark your course URL so that you can easily return to it in the future. Click Continue to enter your course.
Route 2: Purchase e-textbook and LaunchPad access directly from Macmillan

Step 1

First, go to the course URL at:

www.macmillanhighered.com/launchpad/feenstrataylorintltade3

Step 2

In the New Student Registration box, select I want to purchase access, enter your email address, and click Submit.

• If you have an account with Macmillan Education / Bedford, Freeman and Worth publishers, you will be taken directly to the shopping cart, in which case you can skip to step 5.
• If you don't already have an account, you will be taken to the terms of use. Proceed to step 3.

Step 3

If you do not have a recognized account, the site will ask you to accept its legal policies to create your account. Tick I have read the Legal Terms and click I agree to the legal terms.

Step 4

Create an account by entering your first name, last name, and password. (Note: Your password should contain upper- and lowercase letters and numbers only. Do use characters, such as !, @, or #.)

To confirm your information, re-enter your email address and password. Click REGISTER.

Step 5

Select your required subscription length and click Add to Cart.

NOTE that you can see the price of the item here.

Step 6

If you made a mistake, click Remove and make another selection. Otherwise, click Checkout.
**Step 7**

Read the checkout instructions. *Note:* The purchase process will launch pop-up windows, so you should either disable your pop-up blockers or always allow pop-ups on macmillanhighered.com sites before proceeding. When you're ready, click **Check Out Now.**

**Step 8**

From here, you can proceed in one of two ways:

- **METHOD 1:** Pay with your own Paypal account.
- **METHOD 2:** Pay with a debit or credit card or PayPal credit.

- Choose your preferred method of payment by clicking the appropriate tab.

**Step 9**

When you’ve completed your transaction, you'll receive a payment confirmation, including your receipt number. This information will also be emailed to you. Keep it in your records. You'll need it if, for example, you drop your course and request a refund.

When you're ready, click **You MUST click here to finish unlocking your premium resource** to unlock your course and begin working.

**Step 10**

After clicking **Click Here to Proceed with Checkout**, the pop-up window will disappear and the browser window where you started the purchase process will contain a notice that your resources have been unlocked. Click **Continue.**

**Step 11**

Confirm that you're joining the correct course by clicking **Join Course.**

*Please note:* If your instructor has required that you enter your campus LMS ID in order to enroll in your LaunchPad course, you must enter it to be allowed to click **Join Course.** If you're not sure of it, enter your best guess, click **Join Course,** and edit your campus LMS ID when you confirm what it is. You can do so through the drop-down menu in the upper-right corner of any LaunchPad screen. Select **View/Edit Campus LMS ID.**

**Step 12**

You will receive a confirmation screen. Bookmark your course URL so that you can return to it easily. Click **Continue** to enter your course.
Graduate Student Increment (For Graduate Students only)

Graduate Students taking the course are required to complete an additional assignment for successful completion of the course. Each graduate student must choose a current international trade topic of their choice for my approval. Upon my approval, each student will write a literature review paper that fully describes the international trade topic and the literature to date. Successful completion of this project will constitute a polished paper complete with references. The final paper is due to me by the last day of class (December 11th). The literature review will constitute 10% of the students overall class grade such that for a graduate student, the following overall class grade percentages will apply:

Grade Percentages For Graduate Students:
Participation/Attendance 10%
Homework Score 20%
Literature Review 10%
Alternative Class Assignments 10%
Exam Scores 50%

A Word on Cheating and Plagiarism: Do not do it! All students are expected to abide by the University of Montana Student Conduct Code. Any violators of the Student Code of Conduct will be subject to punishment as outlined in the Student Code. For more information on the Student Code of Conduct please consult the following website:

http://www.umt.edu/vpsa/policies/student_conduct.php

Students with Disabilities: If you are a student with a disability who will require reasonable program modifications in this course, please meet with Disability Services for Students in Lommasson 154 for assistance in developing a plan to address program modifications. If you are already working with Disability Services, please arrange to meet with me during my office hours to discuss reasonable modifications that may be necessary. For more information, visit the Disability Services website at http://www.umt.edu/disability.

Classroom Policies: I reserve the right to ask you to leave the classroom for the day if I perceive that you are being disruptive in any way to me or others in class. I view disruptive behavior to include things like talking on a cell phone, texting, tweeting, emailing, surfing the web, reading a newspaper or doing crosswords puzzles during class time. Cell phones must be put away (out of sight and ringers turned off) at all times.

Course Drop Policy: The last day to request to drop the course is November 3, 2015. After November 3, I will only sign a drop slip if you have one of the documented circumstances approved by the university to drop by petition. Documented justification is required for dropping courses by petition. Some examples of documented circumstances that may merit approval are: accident or illness, family emergency, or
other circumstances beyond the student's control. The fact that you may not be doing well in the course is not a circumstance that will merit approval.

Course Outline: The following is an approximate roadmap of where we are headed. How far and how fast we proceed through each topic will depend on how quickly the class is picking up the material. As mentioned above, there will be journal articles assigned to complement the book chapters outlined below. The exam dates are set but the material covered on each exam will depend on our pace. I will let you know at least one week prior to each exam exactly which topics will be covered.

Week 1 & 2 Topics
Feenstra and Taylor Chapters 1-2
- Introduction – Definitions of Trade and Characteristics of National Economies
- Assumptions of the Basic Trade Model
- National Supply and National Demand
- Labor Theory of Value
- Absolute vs. Comparative Advantage
- Specialization in Production and Gains from Trade
- Relative Wage Determination

Week 3 & 4 Topics
Feenstra and Taylor Chapters 3-4
- The Ricardo-Viner (Specific-Factors) Model
- The Heckscher-Ohlin Model
- The Rybczynski Theorem
- The Factor Price Equalization Theorem
- The Stolper-Samuelson Theorem
- Tests of the HO Model
- The Leontief Paradox

Week 5 & 6
Feenstra and Taylor Chapter 6
- Intraindustry Trade
- Increasing Returns to Scale and International Trade

Week 7 & 8
Feenstra and Taylor Chapter 5 & 7
- Migration and wages
- Capital Flows and the returns to capital
- Multinational corporations
- Outsourcing
Week 9 & 10
Feenstra and Taylor Chapters 8-9
- Commercial Policy
- Tariffs
- Welfare Analysis
- Deadweight Losses
- Optimal Tariffs
- Nontariff Barriers to Trade
- Quotas
- Strategic Trade Policy
- Tariffs and Imperfect Competition

Week 11 & 12
Feenstra and Taylor Chapter 10
- Export Subsidies
- Production Subsidies
- Applications to Agriculture
- Applications to Technology Industries

Week 13 & 14
Feenstra and Taylor Chapter 11
- Preferential Trade Arrangements
- North American Free Trade Agreement (NAFTA)
- The Creation of the WTO
- Regionalism vs. Multilateralism
- Trade and Labor